



# The Gazette.

MONTREAL, THURSDAY, NOV. 9.

## A RASH CRITIC.

Principal Grant, of Queen's university, has once again stepped outside the pale of these functions for which he is admirably fitted, and which he so efficiently discharges, to air his views upon public affairs and to indicate the reforms in our administrative system he deems necessary to the promotion of the best interests of the country. The first proposition he lays down is that "a government that really desires the interest of Canada must first, last, and all the time, stick to the line of husbanding instead of wasting our money," a statement so obviously true and so generally recognized that its recital appears to be a matter of mere rhetorical redundancy. It is when the worthy Principal undertakes to support with practical illustrations the insinuation that the Government has been wasting the public money that the crudeness of his notions and the inaccuracy of his information become so manifest as to produce a conviction that impulse and impression, rather than research and study, have guided his criticisms. As a case in point we may take his allusions to the postal service of the Dominion. "The mother country," he says, "derives a clear revenue of millions sterling from the post office. Our post office costs us a million and a half of dollars above the revenue. It has for years been in a chronic state of what might be termed departmental insolvency." Now in considering a statement of that character two questions at once arise: (1) Is the comparison with the mother country fair, and (2) does the existence of a deficit in the working of the Dominion postal service imply either a waste of money or a disadvantage to the community? The comparison instituted by Principal Grant is not fair. He himself destroys the whole force of his argument

and arraignment when he admits that "of course, Canada is not so densely populated as Britain," and he might with equal truth have added that the area of Canada is nearly twenty-nine times as large as the whole of the United Kingdom. What do these distinctions imply? Manifestly a cost of service vastly out of proportion to the revenue derived in the less thickly populated and more widely extended country. Suppose, for example, that the cost of carrying a mail bag by any mode of transportation is the same per mile in Britain as in Canada, it is clear that the expense of conveying letters from Halifax to Victoria will be many times greater than from London to Edinburgh; and in that single fact lies the whole explanation of the deficit in the Dominion postal revenue, which Principal Grant regards as palpable evidence of the wasting of public money. If that gentleman had really desired a fair comparison he would have found a better analogy in the United States, although even there to off-set a wide area of country is to be found a population twelve times as great as our own. Yet in the United States, in the fiscal year ended June 30th last, the post office revenue fell short of the expenditure by no less than \$5,177,171.

Let us enquire, however, whether the deficit in the Canadian post office is really a million and a half annually as the Principal has stated. In 1892, the revenue from this source was \$3,542,611, and the expenditure \$4,205,985, leaving a deficiency of \$663,374, or a good deal less than half the sum mentioned by him.

Surely, one would think, when a gentleman like Principal Grant undertook to discuss the subject of governmental administration and the condition of public affairs, he ought to take the trouble to inform himself of facts easily ascertainable, instead of basing a tirade of invective upon pure assumption or mere hearsay. As far back as 1879 the deficit in our postal revenue was \$632,902. There was not, at that time, a single mile of railway in operation in Manitoba, the Northwest, or British Columbia. In the year 1893, the deficit in the postal revenue was \$647,745, or practically the same as fourteen years ago. Although in the interval the number of post offices has

been increased by more than 2,700, and the number of miles of post route has been doubled. In Manitoba, the Northwest and British Columbia there are more than 800 post offices scattered over an immense territory, nearly all of which have been established since 1879. The cost of serving the people resident in these provinces is infinitely greater, relatively to population and income, than the cost of serving the people of Ontario. Will Principal Grant propose seriously to deprive Canadians resident in Manitoba, the Northwest, or British Columbia of postal facilities, because the deficit may thereby be wiped out? And if he will not subscribe to so monstrously unjust a proposal, how does he suggest that the deficit of \$600,000 can be overcome. By two means only, or by a combination of both, can the cost and the income from the post office be equalized. The revenue can be enlarged by increasing the rate of postage; does the Principal advocate that course? If he does, we venture to say that his scheme will find few supporters in this country, where public opinion, so far as an expression has been given to it, has vented itself in a demand for cheaper rates. But, perhaps, Principal Grant's panacea for a wholly imaginary grievance, is to reduce expenses. That can be done. Country post offices may be closed up. Mail routes may be abandoned. Districts now served with daily mails may be made content with a bi-weekly service, and districts enjoying a bi-weekly service may be reduced to a weekly one. In the cities the system of free delivery by carriers may be abandoned and the system of collection through letter boxes abolished. Does the Principal desire to proceed upon these lines? Does he even believe for one moment that such a process of bringing about an equilibrium between revenue and expenditure would either be tolerated, or, if tolerated, would conduce to the interest and advantage of the community?

It is scarcely necessary to say that the question of the deficit in the postoffice is not a matter of party politics in any sense. These shortages have existed in every year since Confederation, and must continue to exist for some time to come unless the rates are increased, or the facilities given the public are contracted.

But they are on a descending scale, the deficiency having grown smaller every year since 1884. As population increases, as education becomes diffused, as commerce extends, the revenue from the post office will mount up at a more rapid pace than the expenditure, until the two meet. So far as concerns the expenditure upon the service, it may be stated that the great bulk of it arises out of transportation, made by contract wherever feasible, the lowest tender being in every case accepted. As respects the payments to postmasters, in the vast majority of instances they are based upon a fixed and uniform percentage of the receipts of the office, and when the percentage comes to exceed a reasonable sum, the postmaster is placed upon a salary that cannot be deemed excessive. While, as for the officials employed in the inside service at Ottawa, we assert with confidence that neither in number or salary, nor efficiency are they open to the reproach Principal Grant in his haste has cast upon them. There may be opportunities for criticism and reform in connection with the public affairs of Canada; we know of no country or system of which the same might not be said; but we are quite sure that upon reflection Principal Grant will conclude that the postal service, as a whole, does not warrant his railing, more especially when the ground-work of his invective is proved to be an assumption barren of fact.

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## The Gazette.

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MONTREAL, TUESDAY, NOV. 14.

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### TRADE WITH BRITAIN.

Principal Grant is of the opinion that a leading feature of the commercial policy of Canada should be the encouragement of trade with Britain, a view which exactly coincides with the policy steadily pursued by the Dominion Government since 1878. With the means which commend themselves to Dr. Grant as calculated to rapidly attain this end there will, however, be wanting a ready assent. In general terms his scheme is that two

tariffs ought to be established, one by sea and one by land; that the land tariff should be much higher than the sea tariff, and that the object of the latter should be the development of trade with Great Britain. His argument is that "the policy advocated is in our own power, and reciprocity with the States is not;" that "it is sound policy to buy as much as possible where we sell"; and that "by this policy our steamers would secure return cargoes, and our producers would be no longer handicapped by having to pay in effect double freights. Business would be increased, and more steamers would be drawn steadily to our St. Lawrence and ocean ports, instead of having to depend on 'sea tramps.'" The proposal thus outlined is assuredly a courageous one, more brilliant, we fear, in theory than beneficial in practice. For what does it involve? First of all, we are to cut aloof from the American market by making a discriminating tariff against that country. True, Principal Grant feebly attempts to argue that there would be no discrimination in the literal sense, because, as he puts it, "American goods that can be shipped by sea might compete freely with European," but the ethical niceties by which the Principal discovers a parity of treatment towards the United States and Great Britain under the double-tariff system would hardly be approved by him in the domain of moral questions where he is wont to roam. Far preferable is it to at once proclaim the purpose to frame our fiscal policy in favor of trade with Britain, and against trade with our neighbors until such time as they take down their high tariff wall, and to run the risk of American retaliation at all points, if such a course can be commended from the standpoint of Canadian interests, than to vainly seek to impose upon the Americans the pretence that a high tariff by land and a low tariff by sea is not intended to discriminate against their country.

Let us, however, examine for a moment Principal Grant's axioms. "It is sound policy to buy as much as possible where we sell." Granted, but equally true is the converse of the proposition, namely, to sell as much as possible

where we buy. Now, in 1892, we bought from the United States goods to the value of \$53,000,000, and according to Principal Grant's reasoning the tariff should be so adjusted as to lead to the importation of the bulk of these goods from Great Britain. Has the worthy Principal examined the details of this trade? Does he know that more than one-half of it consists of raw materials already free under the Canadian tariff, some of which cannot be produced in Britain at all, and others of which can be obtained there only at higher prices than Canadians are now required to pay? Take, for instance, such items as gutta percha, raw cotton, leaf tobacco, hides, coal and agricultural products generally, of which we purchased from the United States to the value of more than \$27,000,000 in 1892. Obviously no tariff arrangement can divert this trade to British sources except at a positive loss to the Canadian people, and that being so, it follows that we should sell where we must buy, and, therefore, should discard the proposal of a discriminating tariff against the United States. But we have a better market than either Great Britain or the neighboring country, which it is the duty of the Government to encourage and develop. The home market is infinitely more valuable to all classes of producers than any foreign one, or than all foreign markets put together. Is it the interest of the farmer that is to be of the first concern? Ninety per cent of the agricultural products of the Dominion are consumed within the country, and, adhering closely to the axiom that it is sound policy to buy as much as possible where we sell, does it not follow as an irresistible conclusion that the buying ought also to be done in the home market? Our domestic commerce demands the primal care of public men. It is better from every point of view to foster exchanges, to promote barter within the country than to strive to cultivate trade with remote peoples. That general rule is, of course, like all other rules, subject to an exception, the exception being that the means adopted for the development of domestic exchanges shall not run to the extreme of involving a hardship to the producing and consuming masses. If the tariff is found to be onerous in appli-

cation, if it inflicts an undue taxation, or creates oppressive combinations, then modifications should be made; but the legitimate purpose of a fiscal system is not to raise the revenue required for the needs of the public service, but to conserve, extend and improve the best market for all classes, namely, the home market.

We take it for granted that no responsible public man who has knowledge of the intimate trade and transportation relations between Canada and her neighbor will seriously contemplate taking the risk of a commercial defiance of the United States. There remains, then, for all practical purposes, only two alternatives—the maintenance of the existing fiscal policy, modified from time to time as occasion requires, or the adoption of a tariff for revenue only. Principal Grant inclines to the latter, apparently under the impression that its operations would help trade with Britain. Let us enquire what experience teaches on that point. In 1873-8 Canada had a tariff for revenue only, when, speaking roughly, the maximum rate of duty was  $17\frac{1}{2}$  per cent. In 1873 we imported from Great Britain to the value of \$68,500,000, from the United States to the value of \$17,700,000. Six years later, namely in 1879, our purchases from Britain amounted to only \$31,000,000, while those from the neighboring country were \$43,700,000. That is to say, under the revenue tariff system, trade with the mother land declined 55 per cent., whereas our trade with the United States fell off by the fraction of less than 9 per cent. Restore the revenue tariff, and is there any reason to believe that the results would differ from those to which we have alluded? It is hardly an exaggeration of fact to say that the protective tariff saved Canada during the past summer from being drawn into the vortex of commercial disaster which swept over the United States, and under a low tariff system the inevitable consequence must be to draw closer the inter-dependence of the two countries. Principal Grant is right when, alluding to the National policy, he says that "much of the charm of the cry that was raised sixteen years ago was in its name. Our people felt that they could stand in their own boots, and a policy

that was called national, and did not leave them at the mercy of the great fluctuations of trade in the United States, appealed to their self-respect." The same sentiment animates the majority of the Canadian people to-day, and it will scarcely be weakened by the promulgation of a policy of tariff for revenue only which will injure the home market all along the line, without, as experience has proved, bringing us nearer the goal of Principal Grant's ambition, a close commercial alliance with Britain.

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## A POLICY FOR CANADA.

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Letter from Principal Grant of  
Kingston.

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## REFORMS WANTED.

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The Losses on the Inter-  
colonial.

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THE POSTOFFICE DEFICIT.

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Too Many Ministers and a Use-  
less Senate.

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THE GALOFS CHANNEL SCANDAL — A CALL  
FOR THE COMPLETE ERADICATION  
OF SUCKERS.

*Globe* Nov. 4. 1893.

(Special Correspondence of The Globe.)

You have asked me for my views as to the best policy for Canada, and, as I do not like to be silent when properly challenged to speak on what concerns the public welfare, I submit them without hesitation for what they are worth. The subject, however, is large, and as anyone

who gives opinions without at least hinting at his reasons is apt to be misjudged, you will pardon me if—instead of trying to condense unduly—I take the liberty of sending you two or three communications. Should there be repetition, it is because truth cannot be impressed on the public in any other way. Every editor understands that, and therefore he plays pretty much on the same tune for more than three hundred days in the year. Of the three hundred grant me three.

First, a Government that really desires the interest of Canada must, first, last and all the time, stick to the line of husbanding instead of wasting our money. Money represents God's world, and he who wastes this world will have a poor chance of the next. Both parties would willingly put my first plank in their platform, if they were absolved from the necessity of being specific, but general professions of retrenchment and reform are worthless. Here is the cold fact, as the General Manager of the Bank of Montreal puts it, "We have been spending too much money." National expenditure has increased steadily since Confederation, out of all proportion to our increase in population, or available wealth, and there is abundant proof that a great deal of the money has been worse than wasted. It is bad to throw good money away; but when money is used—directly or indirectly—to corrupt the people from whom it is taken, it is infinitely worse. Let me illustrate. I shall take my illustrations, not from the awful disclosures made at Ottawa in 1891, but from others equally suggestive, and open also to the most careless readers of newspapers. There is no need for burrowing into blue books or census returns or year books, though these are mines that would well pay exploration.

#### THE INTERCOLONIAL.

I take the Intercolonial, as the first case in point. That railway has been run at an annual loss of from half a million to three quarters of a million of dollars, with monotonous regularity. At last the people began to kick. They were anxious to get such a white elephant off their hands; and felt that, if the company which gives a good service along our national highway for thousands of miles, at no charge to the public chest, would do the same for the remaining hundreds, coming under bonds at the same time not to increase the rates, it would be a good thing. To talk about this being a present to the company is to show ignorance of the meaning of language. I might as well talk of making a present of my debts to a friend. If anyone considers that that would be a gift, he can have it any day by writing me a postal-card, and I could be consider my action proof of my

generosity of nature, I shall not object. The suggested method of relief was found to be a political impossibility; but it was also impossible to continue the waste, and instructions were given that it must be stopped. Presto! the thing was done as if by magic. A man who knew little or nothing of railways was able to stop it at once, and newspapers now imply that Mr. Haggart must be a regular "Napoleon" of railways, in fact, another Mr. Van Horne. What does this astonishing success prove? Either that the previous deficits were unnecessary, or that the present showing has been attained by letting the road run down or by forcing a balance. The second and third alternatives would be discredit to the present Minister, and the first to his predecessors and all former Governments, yet we are forced to adopt one of the three. It is generally assumed that the first is the correct explanation. Being so, it means that not only have millions of our money been wasted but worse than wasted. Corruption at headquarters is a poison that slowly but surely finds its way throughout the whole organism. It is absurd to think that you can make the people righteous by preaching and praying, while that kind of work is tolerated. You might as well try to train your children righteously by making them say their prayers morning and evening, and allow them companion with thieves and blasphemers throughout the day. The startling illustration of the Intercolonial has scarcely arrested the attention of the people. Very far from it. They are simply congratulating themselves that the big leak has been stopped. Are they sure that it has been completely stopped? And does it not occur to them that this is just a sample of what is going on in other departments, and that the only radical cure is to limit strictly the sphere of Governmental action, watching closely, too, within that sphere, and so put fewer means of corruption into their hands?

#### THE POSTOFFICE DEFICIT.

Take another illustration, also from our regular expenditure, for it is the regular expenditure that constitutes our heavy burden, and the tendency of which is always to grow. The mother country derives a clear revenue of millions sterling from the postoffice. Our postoffice costs us a million and a half of dollars above the revenue. It has for years "been in a chronic state of what might be termed departmental insolvency." Of course, Canada is not so densely populated as Britain, but that only partly explains the deficit. There are other reasons. In Britain no one can send a letter free. Even the Queen has to buy her postage stamps. In Canada our legislators preserve the antiquated franking privilege that is susceptible of such gross abuse. "Frankles

like perquisites and "vails." Members of Parliament should be above flunkysism, just as—when the country pays them a handsome mileage—they should scorn to accept passes from companies for whom they are expected to legislate in the public interest. The newspapers have never said much about the franking privilege, because they themselves are bribed much more heavily along the same line. Their papers are sent by the ton from the office of publication, over the land, free of charge. In Britain, nothing goes through the postoffice that is not paid for. The excuse here is that newspapers are great popular educators. Bread is more necessary than news, and bread is not carried free. Besides, education is by statute a matter for the Provinces and not for the Dominion. Further, if the excuse is to be accepted, periodicals and books should, much more, be allowed to be sent free. The excuse may do duty for an argument, but great newspapers should scorn Government "pap" of any kind. Another discreditable cause for the leak in the postoffice may be mentioned. In Britain, promotion is by seniority and merit. Mr. Gladstone could not appoint a clerk in the postoffice or a tide waiter in the customs. In Canada, promotion is for party service. Men who have been at other work all their lives are pitchforked into the high places, and some of them get substitutes to do their work for quarter of the salary. Appointment to the smallest clerkship, too, is for political reasons. Consequently, when there are no vacancies, vacancies are made, always at the public expense. Superannuation of capable officials is also in order at any time. There is really no limit to this sort of thing. Anyone who visits the departments in Ottawa, knowing a little of how work is done in great commercial houses or railway offices, can see at a glance that they are staggering under the load of clerks. The load will get heavier instead of lighter. As regards the postoffice, there are other reasons for the leak; but I must not delay too long over one illustration. Now that it has been proved that three-quarters of a million can be saved annually on one railway, when will the people insist that the million and a half of the postoffice deficit must be saved?

#### THE GALOPE CHANNEL.

An illustration from our expenditure on a special account may now be in order. For years it has been the accepted policy of the country that the St. Lawrence canals should be deepened to fourteen feet. Why this was not done prior to deepening the Lachine, I do not know, for the reasons usually given are not satisfactory. The neck of a bottle is not usually made

wider than the body. But at last work was commenced between the Welland and the Lachine. Now, take the case of the Galops Channel, if we wish to learn how not to do it, and at the same time how to throw away some three-quarters of a million of public money. Eight or nine years ago it was represented to Parliament that the channel in question, which was only nine feet, could be deepened to fourteen for a certain sum. The money was voted. An additional sum was subsequently voted for the same object. It is now stated that the reported depth of water in the new channel is not there, and that it has not been and cannot be used. A special engineer, Mr. Kennedy of Montreal, was, after some pressure, appointed to report on the matter, but strange to say neither side pressed for his report last session, and, as it has not yet been given to the public, the exact state of the case is not officially known. Meantime the work of deepening the channel seems to have been abandoned, and a canal is being built at great cost that, some authorities say, will not be convenient for a long tow or "block" of barges. Now, all this is startling enough, but it is actually the fact that more has been written in the newspapers about a little addition to Rideau Hall, that may never be made, than about the actual postoffice annual deficit or the Galops Channel scandal. How is it that our guardians should be so concerned about the spile and so careless about the bung? Some people are so economical that they seem to think that we cannot afford a house for our Governor-General, though they have hardly a word to say about the seven or eight houses kept up for Lieutenant-Governors. I see no necessity for houses for our Lieutenant-Governors, but an absolute necessity for a good house and a good salary for the Governor-General. Our connection with Britain is indispensable to our national existence, at any rate to the free development of our national life and aspirations, and the Governor-General is the living link that signifies and preserves that connection. The difference between a first and second class man means a great deal to us. It may mean actual millions. He is our only constitutional check against possible maladministration for years. An appeal to the sovereign people ought always to be in order, and that might be needed—especially when we mend or end the Senate—even though the Administration was sustained by a majority of the House of Commons. A first-class statesman would know whether such an appeal should at any time be made. The consequence of misjudging would fall so severely on himself that a second-rate man would never take the risk.

## CABINET AND SENATE.

Again, comparatively little has been said against the excessive membership and semi-membership of the Cabinet, although the Government of the United States is carried on with less than half our number. Not only is the expense considerable, but the freedom of Parliament is seriously weakened thereby. With us, the Cabinet is simply a committee of Parliament. Now every one knows that committees have such power that it is almost impossible to defeat any proposal they make, and that the larger the committee the less freedom the body appointing it will have. It would almost seem to be taken for granted that our Government should have good billets with which to reward its supporters, not only while they are in public life, but after their usefulness is gone. The present system of adding to the Cabinet is wrong. Permanent head clerks or commissioners, who do all the real work of the departments, are the kind of men we ought to have, instead of fleeting and untrained partizans. This is the system in Britain and the United States, but we have it only to a limited extent. As for houses for the Lieutenant-Governors, a man with a salary of seven or eight thousand dollars can easily rent a house, and is not one already in the Provincial capital, and then less would be expected of him as regards that preposterous expense called "entertaining" than social infamy now expects. We are over-governed. Perhaps the most notable illustration of this is the Senate. How to get a useful second House is a grave question. Different countries are trying different experiments, and we can afford to wait till the question is solved. Nobody will imitate or learn anything from our experience. That is certain. We have succeeded in getting the most useless second chamber in the world, and consequently the people are now prepared to abolish it and see how they can get along with one House. The experiment may very safely be tried, until at any rate we have as many Provinces as the United State had at the close of their Revolutionary War. It is clear that under modern conditions no House will have real power unless constituted on a democratic basis. Now, to appoint a second democratic House to keep the first from doing anything would be to invite constant friction or worse. Besides, the example of Ontario proves that one House works well, whereas the second House in Quebec was as helpless to check Count Mercier as our Senate would be to check a worse man when he is sent upon us because of our sins. If there were only one House it would feel its responsibility more than when there are two; and under our Par-

liamentary rules it is impossible to rush ill-advised legislation, and that gives a really free press plenty of time in which to sound an alarm. The great objection to our Senate is, that it is simply an addition to the bribery fund at the disposal of the Premier. It contains a few of the best men in Canada, and they must feel the degradation of sitting with men appointed for life simply because they have been faithful party hacks, and of knowing that almost every vacancy is dangled for months and years before the eyes of men whose fealty to the party is uncertain. Let them lead the agitation for abolition. Once the Senate is abolished, Quebec and Nova Scotia will for very shame pension off their so-called "Upper" Houses.

## ERADICATE THE SUCKERS.

I have given a few illustrations to show that the first outstanding feature of a true national policy should be not only the cutting away of mouldering branches and the vigorous pruning of others, but still more the complete eradication of suckers of all kinds. Suckers are a thousand times more fatal to the health of a tree than any dead or mouldering branch, just because they are not dead and have no intention of dying. The luxuriant growth of suckers around the tree of our national life is enough to put to shame the husbandmen who have been charged with the care of the Canadian maple. Oh! there is a fine field at Ottawa for a capable and strong statesman, with an enlightened and patient public opinion at his back, and representing a constituency that will trust him and not waste his time begging for patronage, nor eating up his little income or indemnity by pillaging him, on the degrading plea that subscriptions for churches and chapels secure votes. If we cannot raise such a man and surround him with a band of tried supporters, things must become worse before they can be better. I never despair. I do not believe that the long lane will have no turning, for the Canadian people come of too good a stock not to have a worthy future. They have been humbugged, and they like a little humbugging as a relief from the general seriousness of their lives, but they have no intention of letting the thing go too far, and they are feeling just now not quite in the mood for joking. They have made mistakes from ignorance and not from deliberate intention. The public man who would win from confidence must try and look at things from their standpoint and not from the serene attitude of an iceberg on which he himself may stand. There is no work so difficult as that of governing a free people, but there is none so worthy of a man filled with the highest spirit.

In my next communication I shall indi-



cate some other lines of the national policy that should be adopted if Canada is to prosper and to be more than ever worthy of the devotion of her children

G. M. GRANT.

Kingston, Oct. 31.

## FREEDOM.

The Second Plank of Principal  
Grant's Policy.

## REDUCE THE TARIFF.

A Fiscal System That Dis-  
courages Industry.

## FAVORITES FATTENED.

The Policy of Neither Party  
Satisfactory.

UNRESTRICTED RECIPROCITY OR COMMERCIAL  
UNION OPPOSED—NO SYMPATHY WITH  
TALK OF SEPARATION.

*Globe* Nov. 7, 1893.

(Special Correspondence of THE GLOBE.)

I have pointed out that the first plank of a true national policy is to stop wasting good money. What is the second great plank? To give the people of Canada freedom to make the most of themselves, their country and its resources. They are deprived of that freedom, on the plea that it is necessary to raise a revenue and to foster certain native industries. Of course a revenue must be raised, though, as I have shown, not quite so large a one as we have been spending. Lines along which there might be effected a saving of a few millions a year have been indicated, while something much more im-

portant than money would be saved at the same time. But there are two ways of raising a revenue, as John Bright once, by means of a very happy illustration, pointed out. You may clap a load of a hundred pounds weight on a soldier's back, and he marches along without feeling it very much. But if you hang five or six pounds round each of his ankles, his knees, his arms, his hands, his ears, and an extra ounce or two from his lips, his nose and his eyelashes, you will get very poor marching or fighting from him. Mr. Bright congratulated the then Chancellor of the Exchequer, Mr. Gladstone, on having adjusted the taxpayer's load on his back, but he complained that the load was left as big as it was before. That was unavoidable, because Britons have to pay interest on a national debt gradually accumulated in building up an empire and defending the liberties of the world, and on an army and navy that, in the eyes of the grand old Quaker, was simply "a gigantic system of out-door relief for the aristocracy," but that seems to ordinary people rather necessary in existing circumstances. Our load is not quite so big proportionately to our numbers, but it is badly adjusted, and it galls, worries, impedes and impoverishes us to an altogether unnecessary extent, and none the less when we are told that that is all a delusion, and that we would not know of the existence of custom houses if they were not occasionally pointed out to us. I have before me two volumes at the present moment, and they give suggestive object lessons. The first is the "Statesman's Record for Canada." In "Appendix A" is to be found a list of the articles—most of them taxed at various rates—mentioned in our tariff. The list extends over 77 solid pages, and as one reads his marvel is stirred at the completeness with which it covers the field of industry. We cease to wonder that the ordinary official concludes that nobody and no thing should be allowed entry into Canada free, whether Chinaman or Chinawoman, Scotch heather, or an old book. The second volume is "Whitaker's Almanac," and it gives the customs tariff of Great Britain. The list extends over less than half a page, and includes chiefly tobacco and drinks, such as beer, wine, spirits, cocoa, coffees and tea. Exchange in everything else is free to the world, yet Britain raises a revenue of over two hundred and twenty millions of dollars from customs and excise. I do not say that we could reduce our list to the scanty proportions that the mother country rejoices in, but certainly it could be vastly reduced to the profit and comfort of the Canadian people. There is scarcely a page of our 77 from which illustrations could not be drawn to show that

OUR TARIFF DISCOURAGES INDUSTRY,  
or that it is constructed not so much in the general interest as in that of some particular person or company that has managed to get the ear of the Finance Minister. If, for instance, there is one kind of vessel the building of which we ought to encourage more than another, it is the barge or ship constructed of wood, for a great part of Canada is still covered with forest, and to convert that raw material into instruments of trade ought to be considered by everyone common-sense policy; but, strange to say, if we propose to build a steel vessel we are allowed to import all the materials free, whereas if we build a wooden one all the iron that goes into her has to pay a heavy duty, amounting, experts say, to 50 per cent., when everything is taken into consideration. Surely some perverse deity presided over such provisions. Is it wonderful that the building of wooden walls has not been going on very merrily of late? There is a provision for getting part of the duty returned as drawback, but it amounts to so little and there is so much trouble to get it that vessel builders declare it to be not worth considering. In connection with the tariff on iron, a curious instance of care for a special interest may be cited. The list says that plate of iron and steel is to be taxed 30 per cent. Then it says that plate of iron or steel not less than 30 inches wide, etc., pays only 12 1-2 per cent. One of our captains of industry imported plate 24 inches wide and had to pay the 30 per cent. He called attention to the undeniable fact that the distinction in the tariff is founded on no principle, and is purely arbitrary, but in vain. No doubt the 30-inch interest had lobbied for itself, and his only hope lay in lobbying. He would not lobby, and therefore had to pay. Such legislation raises a good many questions with thinking men. Bad faith need not be suspected on the part of the Government. The fact is that there are few persons in Canada who understand finance. Little thought is, therefore, given, in constructing the tariff, to what should be the great question—**"How will this tax, or system of taxation, affect the general prosperity of the people?"** The tariff is constructed on the rule of thumb principle. One interest pleads its peculiar case and it gets a tax put on in its favor. That hurts another interest directly, and perhaps a million of people indirectly. The interest that has been directly affected goes to Ottawa and demands relief by some counterbalancing tax. Of course it gets it, for there is no one to speak for the silent multitude on whose back the ever-accumulating burden is rolled. In Britain there are statesmen and writers who have studied finance down to the ground. Mr. Gladstone is

unequaled in this respect among statesmen, not only for knowledge, but for unrivalled powers of exposition. Mr. Goschen, on the front bench of the Opposition, is his equal so far as knowledge is concerned. Then, there are men like Mr. Giffen, at the Board of Trade, whose conclusions are accepted as oracles. Whom have we in our House? Except Sir Richard Cartwright, not one that I know of; and, unfortunately, Sir Richard overloads his speeches with details, instead of massing his facts and showing their general relation to life, and—provoked by the indifference of the House and the country—he sometimes apparently allows his temper to get the better of him, and lets out a little of the contempt he feels. It is a great pity, for it makes people think him ill-tempered. Still more unfortunately, Sir Richard apparently still clings to the rotten plank of unrestricted reciprocity—restricted to one country; and men dread his strong will, though they acknowledge that such a quality is valuable when a man is right. With ignorance at the helm, we have drifted into a more and more complicated tariff. Each addition leads to a demand for more, on the principle on which a toper's throat demands "more brandy" as the proper relief for thirst. One of the minor evils of

#### A SWOLLEN TARIFF,

to which I might have referred in my former communication, is the great increase it necessitates in the customs house staff. There is as much time, trouble and expense connected with making an entry for a cent's worth of heather as for a thousand dollars' worth of silk or cotton, and far more in connection with a box of books than there is with a carload of corn or a shipload of wool, not to speak of the loss of time, temper and money to the unfortunate importer. Merchants get to be treated as slaves or criminals. Smuggling ceases to be thought wrong, and is cultivated as a profession or as a fine art. Patronage at the disposal of the Government increases, and it again is used to fetter the freedom of constituencies, and so debauch them still further.

This is the condition in which we find ourselves. What remedies are proposed? One side advocates the old policy, admitting, perhaps, that a little "less brandy" is needed now. The other side advocates a tariff, or revenue, with special consideration for Britain and the United States. Neither proposal seems to me quite frank, nor the best conceivable, though the Government must at any rate define its position when the House meets. Why should Britain and the States be bracketed together, as if entitled alike to special mention and special consideration? The first is a free trade, the second a protectionist country. Now, while it is easy to increase business with a free trade country, because the matter is wholly in our own hands, and because monopolies cannot exist where competitors can come in from other countries and cut under, it is impossible to make a general treaty with a protectionist country, save by discriminating against free trade countries. For professed free traders to do anything like that ought to be impossible. Again, rational policy must aim at arranging the cheapest and most perfect system of exchange between our

producers and their customers. Are the mass of those customers to be found in the United States or in the United Kingdom? Clearly in the latter, for, as long as the great fertile plains to the south of Canada raise more than enough for their population, and anyone who has ever seen them knows that will be for a long time to come, their inhabitants must be exporters, and can be but indifferent customers. The surplus to be sold makes the price for the lot, and the market for this surplus is Europe, and, chiefly, in the United Kingdom. Again, we are politically united with Britain, but we are no more politically united with the States than with France and Germany. To discriminate between these rival countries would be offensive; whereas, it would be recognized as quite proper if we announced as our ultimate goal, "Free trade under the flag, with a common tariff on specified articles against the world."

When, then, Britain and the States are bracketed together on the same plank, it looks as if there were still men in the country who had not escaped from the C. U. or U. R. delusion. The suspicion that they are still in bondage will be fatal to them as politicians. Both on commercial and political grounds our policy is to encourage trade with the only country whose markets are always open to us, and always hungry, whose trade policy is steady, and in the prosperity of whose people we are most interested, because they are our fellow-subjects, and ready to stand shoulder to shoulder with us in those supreme crises which at times all nations are called on to face. This policy is in our immediate and our ultimate interest. It might be put on commercial grounds solely. But it is surely none the less attractive because a proper sentiment for Britain is gratified at the same time. When it is seen to be bound up with our national aims and development it becomes imperative.

There are, however, some people in Canada who are more American than the Americans, and, whencesever a British or a Canadian policy is propounded, they assume that the proposer is hostile to the States. I consider it expedient, therefore, to turn aside at this point from the special question of the tariff to the general question of the right attitude of Canada to the United Kingdom and the United States.

#### FOR IMPERIAL UNITY.

Canada has been part of the British Empire since 1763. We have evolved gradually from lower to higher stages of political life, until our self-government is well nigh complete. We have worked out a constitution better than that of the mother country or the States, and I see no reason why the evolution should not go on to our still greater advantage without any breach of Imperial unity. Separation would be all loss and no gain to both the mother country and to Canada. The British Empire is the greatest instrument on earth for the promotion of peace, justice and commercial freedom, and I have no use, politically, for the man who would lessen the weight or dull the edge of that instrument; while, so far as Canada is concerned, only through union with the mother country can its national life be freely developed. The treatment of coun-

tries like Mexico, San Domingo and Chili by the States shows that; not to refer to little unpleasantnesses that we ourselves have had or been threatened with at different times, and which, in the interest of good neighborhood, we desire to forget. This being my position, you can see that I can have no sympathy with statesmen who talk of separation as likely to take place twenty, fifty or a hundred years hence. We shall be stronger then, but not relatively stronger, if the United States, China and Russia keep united. The British Empire is likely to be as much needed then as now. To say "we are loyal to the empire because at present we need it, but as soon as we can dispense with it we shall do so," is not a policy that will bear to be stated. Besides, is it wise to suggest revolutionary changes? Change along the line of our historical evolution is constantly being called for and is silently taking place all the time. No wise man will venture to predict the exact form or the extent it may take. But secession is not such a change. Speculations by politicians about what may be our duty in the 21st century can do no good and may do harm. Such speculations are wholly unnecessary and may safely be left to young men's debating societies. To say that a public man or a public official has the right to advocate the breaking up of the empire to which he belongs, or even to advocate that Canada should throw its constitution into the fire and blot itself from the map of the world because he has the right to advocate a closer union of the different parts of that empire, is to manifest a lack of political instinct and almost a lack of common sense.

So much for our attitude towards Great Britain. Towards the States our attitude cannot possibly be the same, simply because the relationship is different. It is a great country, endowed by God with every conceivable kind of resource, and, as regards the people, it is enough to say that they are substantially of the same stock as ourselves. Respect them, admire them, imitate them, like them, look forward to a reunion in the future of the English-speaking race—that is all right. But, just as they are not going to break up their own union in order to bring about any theoretic reunion, so neither are we. To break up our own empire in order to demonstrate our affection for another, or in order to gain some fancied commercial advantage, may be wisdom to parish politicians, but it is not the kind of wisdom that a self-respecting people will ever endorse. All right-thinking Canadians desire the closest possible relationships of commerce and friendship with the great republic, and it is enough to say that if these now are not what they should be the fault is not ours. We are willing to trade with them, but they will neither trade freely with us in natural products nor with our mother country in manufactured products. Every overture for closer relationship has come from us and every overture has been repulsed, as decidedly when Mr. Mackenzie was Premier as when Sir John Macdonald was Premier of Canada. We have made too many overtures. We have shown too great anxiety. We have thereby defeated our own object, for we have led them to wrong conclusions with regard to our necessities

and to our spirit. No one respects a man who does not respect himself, and a man who has dealings with a richer neighbor has to be the more careful of the two in this regard. Canadians must preserve their self-respect jealously, just because their neighbors—on account of their own bigness—are wonderfully ignorant of Canada and just a little apt to regard it as the rich are apt to regard the poor. Further overtures from us are a waste of time, energy, dignity and money, and they simply delay the coming of an era of improved commercial relations. That will come only with the sure growth of free trade sentiment in the United States. I look forward to a happy reunion of our race with as much longing as Dr. Goldwin Smith, but to begin it with a second disruption is out of the question, and premature attempts from our side will defeat or delay the object we have at heart. In the meantime we have our own problems to solve and they have theirs. Let each country attend to its own work and it will be all the better for both of us. So far as tariffs are concerned, let both countries regard their own interests. Protestations of special affection when we are doing business excite only laughter or contempt.

Our commercial policy then is to encourage trade with Britain, the only country whose markets are open to us, and to buy as cheaply as possible from other countries whatsoever we must get from them. What this means in detail and what would be the advantages and probable results of the policy shall be the subject of my next communication.

Kingston, Nov. 2. G. M. GRANT.

## TRADE WITH BRITAIN.

Rev. Dr. Grant's Third Political Paper.

## A RIGHT POLICY,

That Established Population Will Follow.

## THE RAILWAY POWER.

Importance of the Question of Transportation.

THE BRITISH SYSTEM OF TAXATION IS RIGHT  
AND BEST—ABOLISH SPECIAL  
DUTIES.

*Globe Nov. 11. 1893.*

(Special Correspondence of The Globe.)

In my second communication I took the position that one great feature of our commercial policy should be to encourage trade with Britain. I have studied this position, and have heard the strongest arguments that opponents could use against it, and it still seems to me so entirely the right policy that I cannot refrain from urging it upon our people. The party that adopts it will be on the right track. Let me hint at some reasons for my faith, looking at the matter solely from the commercial point of view.

Free trade with a free-trade country means a certain loss to the revenue at first, but it benefits consumers and increases trade and general revenue-producing power enormously; while tariff for revenue gives more revenue than protection and at the same time cheapens goods to the consumer. In free-trade countries monopolies are impossible, and so are

combines, because competitors from other countries can come in and cut under; on the other hand, on account of the high and rigid protection system in the United States, which has fostered powerful monopolies, and the perfection to which they have brought combines, reciprocity with them would mean the adoption of their protection system and no revenue. It would also hurt our own manufacturers, and not benefit consumers in the slightest. Let me illustrate by one or two cases. Any leading dealer in dairy apparatus will sell in Canada American churns at United States prices. Ask the dealer the reason, and he will tell you that he gets discounts to offset the duty. The buyer, of course, pays the duty, but it goes into the Treasury. If the duty were taken off he would not get his churn one cent cheaper. The manufacturer will not sell in Canada for less than he gets at home, unless suffering from competition which he cannot control, or to clear his warehouse, or because he is pressed for funds. So with hardware. Any dealer will tell you that he can sell almost any article in American hardware lines at American prices. The Canadian manufacturer, on the other hand, by means of specific duties, keeps out British articles and "sizes up" to the American protection price. As long then as the States do not go in for free trade, if we would have a tariff along the land line to bring in revenue and at the same time not add to the burdens of consumers, it must be arranged by experts. I do not propose at present to do the work of the Finance Minister, but it is clear that our land tariff must of necessity be rather complicated. At present I am content with laying down principles and taking cognizance of the fact that we have a very big neighbor along our frontier for thousands of miles, and that his anxiety for money is not as great as his anxiety to get the better of every one with whom he trades. The business instinct is stronger in him than anything else, and it is not sufficiently cultivated yet to make him see that, in the long run, a trade which profits both parties is the only permanent and profitable trade.

#### RECIPROCIETY WITH BRITAIN.

Again, the policy advocated is in our own power and reciprocity with the States is not. That ought to be argument enough. It does not require treaties with, or requests for treaties from, any other country. We cannot get reasonable reciprocity from the States, no matter how often we go down on our knees for it, and I, for one, am sick of the hat-in-hand and knee-bowing business; but we can have reciprocity with Britain at once if we choose. If we do not choose, what can be thought of our sincerity, or our

consistency, or our sense of fair play? Why not give to Britain what we have offered a dozen times to the States? If we are willing to reciprocate with a foreign nation, much more should we with our own, or else, at any rate, let us cease talking "loyalty." That sort of language has meaning only when backed by reality.

Again, it is sound policy to buy as much as possible where we sell, for the essence of all trade is exchange. We now sell far more to Britain than we buy from her, and far less to the States than we buy from them. Let us redress this inequality as far as it is within our power, especially when by so doing we shall get cheaper goods, that is, get more for our money than we now get. By this policy, too, our steamers would secure return cargoes, and our producers would be no longer handicapped by having to pay in effect double freights. Business would be increased, and more steamers would be drawn steadily to our St. Lawrence and ocean ports, instead of having to depend on "sea tramps." The great advantage that New York has always had against Montreal would be lessened, and in time the rates from the two great competing ports might be kept pretty nearly equal. In other words, we would import from the country to which we export, and common-sense says that that must be the right policy. The more imports, too, the better. In this matter, it is the same with a nation as with an individual. If I buy little, it must be because I am poor or mean. If I buy much, it must be because I am able to buy. The more our people buy, the more they must have gotten for what they had to sell. Ultimately, our producers receive for the stuff they raise only the price that it brings in the markets of the world, minus the cost of transportation. Cheap transportation to our markets, that is to Britain, thus becomes a big factor in the whole business. It means increased prices, more money at the point where the farmer sells, and more goods for his money in the markets to which the stuff goes. He will sell in a dearer and buy in a cheaper market than now. This is, surely, of immense importance, at a time when the price of wheat makes it a mystery to me why men continue to raise it, even in Manitoba, where land costs them little or nothing, and when the prices of all the farm stuff are so low, and the margin of profits so small, that the least unnecessary burden wipes out profit altogether. Any policy that does not help men to make a living, and a good living, too, out of the soil, and that does not attract population to our vacant lands, must be bad.

is of immense importance, also, in view of the fact that we have spent so much to open the Northwest, and that the results so far are not up to the most moderate anticipations. Our methods of attracting people would do if they were unable to read or to get information from their friends. But people nowadays are not quite so helpless. It is useless, it is almost immoral, to hire agents to coax people away from their own country. The agents get, as a rule, the weak, the credulous, the unfortunate and the dead-beats. Establish a right policy, and the right kind of men will come of their own will. The rush into Oklahoma, and the rush this year into the Indian Territory, were not worked up by immigration agents. No agents were needed. Those rushes are most significant, as showing what a land-hunger there is in the United States, a hunger that will get more clamant every year, and also how little available free land there is there to gratify it. The general elections of 1890 and 1892, and the rise of the Populist party, also show that a good many farmers in the States have found out that protection does not protect them, or that the price they have to pay for it is too high. Let it be known, not only that we have millions of acres of good land, but that we have adopted the policy of "not another acre for corporations, but free land for settlers, something as near free trade as possible, with their markets and cheap transportation," and we shall attract a steady stream of the most desirable emigrants in the world—men who will become good Canadians very soon, because they would see the superiority of our institutions. Unless we can get population into the Northwest we have no future. We did rightly in spending enormously to build the Canadian Pacific Railway, if population can be attracted to those vast plains. If not, it was a gigantic mistake on our part. Population there would also quickly solve the question of revenue necessities. When we have two or three millions of well-to-do people west of the Red River, instead of our poor quarter of a million, we shall get more revenue, by far, from nominal than we now get from heavy duties. Even at present there would be a large revenue from low duties on cottons, woollens, mitts, earth, stone and iron ware, hardware and other necessities of life, almost all of which we import from Britain.

The question of transportation, then, is a most important one. It is so as regards waterways and railways. It is entitled to two or three letters, but a far better authority than I has written a pamphlet on the subject, and you could not do better than call attention to his positions, backed up as they are by long experience and many years spent on both sides of the line, I refer to "For

Canada, Transportation the Problem, by a Grain Dealer." So far the only Canadian newspaper of importance that has dealt thoughtfully with one of the main contentions of this vigorously written pamphlet is La Presse, in its issue of the 6th of October. It mentions that the writer is Mr. James B. Campbell of Montreal, and summarizes clearly his argument that since Duluth and Port Arthur are now becoming the great grain distributing centres on account of the gradual extension to the north of wheat-producing land,

#### THE ST. LAWRENCE ROUTE

must displace the Erie Canal, at any rate as soon as we have fourteen feet of water from Kingston to Montreal. We shall have that depth in three or four years. We would have had it now had a proper policy been kept in view, a little foresight been used and no public money been spent on rival enterprises, or wildcat or constituency-buying schemes. What is the use of talking about the Trent Valley Canal and spending money on it, or the Hurontario Ship Canal, or the Hudson Bay route till we have the one water-way on which we have been working for 30 or 40 years put into proper shape? When that has been done, the whole country will feel the impulse and reap the benefit, and then we may have time to talk about other routes. Whalebacks then will take everything the country can raise, all along the line from Lake Superior, and carry it for a nominal sum to Montreal without breaking bulk. If imports are encouraged, these will get return cargoes of package goods for the United States and Canadian ports. The better the return trade the lower will be the rates. We need not wait for three or four years. Propellers now use our nine feet of water, but our present policy restricts importations. When, however, the St. Lawrence canals are deepened and we have a national policy worthy the name, then indeed, as Mr. Campbell says, "six feet of water in the Erie Canal and two transfers of freight can no more compete with fourteen feet of water through Canadian canals and no transfer than a wheelbarrow can compete with an express train."

This grand water-way completed, though to have it perfect the Welland should have been made twenty feet deep when we went at it last, the only thing lacking for our farmers would be reasonable railway rates. These must be secured where they do not exist now. The two interests that would profit most by the policy which has been indicated, but which will probably oppose it because selfishness is shortsighted, are the manufacturing and the railway interests. They are earning fairly well now, and they believe that "a bird in the hand is worth two in the bush." I have not a word to say against them. Every one knows that a country cannot

be called civilized nowadays if it is without railways and manufactures. We knew that, and have therefore sacrificed much to introduce and foster both, and we occasionally point with pride to what we have done. But we never intended that these interests, or the managers of them, should be supreme. They are excellent servants, but very bad masters. If they insist on using the whip, or even cracking it too loudly, ways must be found to bring them to their senses or to their knees. Recent illustrations have opened our eyes to the necessity of watching them and checking abuses. It is not pleasant to hear agents of manufacturers boast that the Government exists to register their decrees. With regard to

#### THE RAILWAY POWER,

the last general election was an eye-opener. No matter how much we are interested, we are not permitted to send a poor friend to the polling booth, but a railway can pay for thousands and send them hundreds of miles on the plea that anyone can use his own conveyance. To class railways, that the country contributed millions to build and to which the country has given franchises worth millions more, with a private conveyance, is so preposterous that the man who uses such an argument must be either a "Rip Van Winkle" or think that he is talking to a fool. Fortunately, at the last election our two great railways took opposite sides. But they can combine and they will do so whenever it is their interest, and in that event, we can no longer be called a self-governing people. All "solid" votes are dangerous, and a vote that is solid on mercenary grounds is worse than one that is determined by sentimental considerations. It is more vulgar and more unscrupulous.

There are only three arguments used against the policy that has been indicated. The first is, that a lower tariff on necessaries means a deficit in revenue. It might for a year or two if we did not reduce expenditure, and therefore it was shown at the outset that expenditure can be reduced. There is, however, no cause for alarm. A low tariff means increased imports as well as steady and normal trade, and in all probability there would be no deficit. The second is, that it would hurt our manufacturers. It would hurt some and help others, and any change has always similar effects. There are certain lines of manufactures for which Canada is fitted, and these would be benefited. We have given all others plenty of time to get on their feet, and those that are still unable to stand had better stand from under. Besides, no one proposes instantaneous free trade with Britain. The abolition of specific duties and a sharp cut

on our ad valorem rates would do in the meantime. The third is that discrimination against the States would annoy Americans and that they might abolish the bonding privilege. I see no necessity at present for discrimination. We have the right to make a tariff in our own interests, and we require low duties on the seaboard to encourage our transportation service. American goods that can be shipped by sea might compete freely with European. Britain has greatly increased her trade by subsidies to ocean steamers. We would be simply offering a subsidy under another form, and a rose by any other name would smell as sweet. We have already done something in the same way with regard to tea. On the general question of subsidies I may add that they are greatly preferable to protection, when they are needed for a time to encourage a particular kind of industry. They do not interfere with trade, and they let us know exactly what we pay for the object we have in view. As to abolishing the bonding privilege, our neighbors are far too sensible to cut off their nose to spite their face, though they may try a little bluff of that kind; but better that they should do their worst than that we should be afraid of anything that another nation may do by way of punishing us for exercising our rights. A Rotund can easily be suggested for such an Oliver. Though no discrimination is proposed, it is just as well to say that even that would be perfectly legitimate. We have been saying with perhaps unnecessary frequency of late years that when British and Canadian interests conflict it is our duty to support the Canadian. Discrimination against Britain has been proposed by responsible politicians; why, then, should we hesitate to give the same medicine to a rival nation, should it be considered necessary to further our interests? France has a maximum and minimum tariff, and why should Canada not have the same should it be considered necessary?

The policy proposed seems to me the one that will benefit the mass of our people at once, and also bring us soonest to free trade. No one can predict how long it will be before the United States reaches that goal. My own opinion always has been that it will be a long time. We cannot afford to wait for them, but we can ally ourselves at once with the country that has the sound policy, and thus lead instead of humbly following our big neighbor. Much of the charm of the cry that was raised sixteen years ago was in its name. Our people felt that they could stand in their own boots, and a policy that was called national, and did not leave them at the mercy of the great fluctuations of trade in the United States, appealed to

their self-respect. They have now found out that Canada cannot isolate herself. We must get into the British or the American system. At present we are copying the United States, and, without intending it, discriminating against our best customers. Let us take the other tack now. The British system is right. Let us help those who are in the right, and so help ourselves, and be a valuable object to those who are in the wrong.

As important as is the tariff question, there is still more important plank, regarding which a few words should be said. In fact it is most unfortunate, and a sign that the times are evil in any country, when its great parties are divided by such a question. But I must reserve for another communication my remarks on what seems to me the great political duty of the Canadian people at the present time.

Kingston, Nov. 6. G. M. GRANT.

## WASTED MONEY.

Principal Grant Replies to the  
Ministers.

THE POSTOFFICE DEFICIT.

The Saving on the Inter-  
colonial.

WASTE IN THE PAST.

A Criticism of Sir Adolphe  
Caron's Statements.

THE EXPENDITURE ON THE GALOFS CHAN-  
NEL—THE RIGHTS OF A  
SUBJECT.

*Globe, Nov. 21, 1893*

(Special Correspondence of THE GLOBE)  
My first communication dealt with the

necessity of a most rigid and thorough-going system of administrative economy on our part, in place of the extravagance and waste that has been almost everywhere apparent for years. Economy is necessary in every country, for the temptations to spend money are innumerable. Even the United States, with its fathomless wealth, is now suffering severely from the reckless expenditure of the last twelve or fifteen years. But Canada is a young and poor country; the epoch of immense expenditures for national purposes is over; we dare not go on borrowing, and our national existence depends on stopping waste in every direction, living within our means, and burdening the mass of the people as little as possible. Any other course would simply illustrate the Rake's Progress to perdition. To avoid mere general declamation, I gave seven specific illustrations of extravagance, representing different types of waste. No one has had a word to say in favor of the unnecessary increase of the civil service through political patronage, the superannuation abuse, the enlargement of the Cabinet, or the Senate as now constituted. Two Ministers of the Crown have, however, put in a plea of not guilty, with regard to the Intercolonial, the Postoffice deficit, and the Galops channel, and have charged me with flippancy and ignorance.

Mr. Haggart gives what is called "an effective answer" to the illustration taken from the Intercolonial Railway. What does it amount to? He admits every word of the charge, and gives not one word of explanation. "It is true," he says, "that for some years (would it not be well to mention how many years?) the road was operated at an annual loss of many (how many?) hundreds of thousands of dollars, whereas last year the earnings sufficed to slightly more than cover the working expenses." He gives the official figures for the past two years, showing that a bigger business was done in 1892-93 than in the previous year; yet that the working expenses were about \$100,000 less! In other spheres of industry an increase of business means an increase of charges, but here a miracle has been wrought. The working expenses are enormously less, though more business was done. Does not this prove that for nearly twenty years we have been wasting annually "many" hundreds of thousands of dollars? Mr. Haggart says "that he is doing his duty to the road and the rolling stock," and of course not charging any annual expenses to so-called capital account. Why, then, did he not vouchsafe the slightest explanation as to how he was able to do it? What was done before with that extra half or three-quarters of a million? When he has saved so much could he not save a quarter of a million more next year? He is a public servant, and his first duty is to the public. We



ought to know all the facts, so that, if necessary, former administrators may be censured, and similar waste avoided in future. If this long-continued scandal is hushed up, we shall be in the same plight again, whenever the public forgets, that is, before very long. What makes the thing intolerable is that the money must have been worse than wasted. We cannot afford to throw millions into the fire. How much less afford to use them to corrupt the people! Mr. Haggart offers no explanation. A Scotch minister used to say, "My brethren, this is a difficult passage; let us look it fairly in the face and pass on." Mr. Haggart is evidently a far-away cousin of that good man.

#### THE POSTOFFICE DEFICIT.

In taking an illustration from the Post-office Department, my principal authority was the Statistical Record for Canada for 1890, in which there is a table of the postal revenue and expenditure from 1868 to 1890. Not having the volume for 1892, I depended for that year on an article published in a quarterly magazine, a month before, by Mr. A. T. Drummond of Montreal, and reprinted and sent to our leading newspapers, some of which reviewed it, while none noted in it any mistake. His general statement, that the Postoffice has for years "been in a chronic state of departmental solvency," was given within quotation marks. Of course I endorsed it, and still endorse it, because it expresses the main point to be noted, because it is the steady burden that tells on individual or nation, and also that which is most apt to be insidiously increasing and never taken off. I accepted his statement also that the deficit for 1892 was a million and a half. I found, however, on examination that he had been misled on this point by the extraordinary way in which the accounts for that year are made up. The totals are as he stated them, namely, revenue \$2,652,745, and expenditure \$4,205,983. There are, however, fifteen items of expenditure, amounting in all to \$889,000, which appear as deductions on the revenue side, and which are also summarized in two items and added to the expenditure side, making the real deficit \$663,374. On this one point, which does not affect the argument, the Postmaster-General bases his defence. This is after the manner of a biographer who tells us "that Cromwell had a wart on his face," and then goes into a dissertation on warts, instead of giving us a life of his hero. Second-class papers are always glad to draw a red herring across the scent, but first-class men and papers come to close grips with an argument. They know that any other course of procedure is childish. But, according to Sir Adolphe Caron, "It is unbecoming in a gentleman of Principal Grant's years and position to write slip-

partly that the department has been for years in what may be termed a chronic state of insolvency." "No," said Sir Adolphe, in conclusion, "I do not think Principal Grant has made out a case of extravagance against us. We get no surplus from the postal service. But what country except Great Britain does?" The full beauty and force of these three statements can be understood only when they are taken one by one. If a department, which in almost every civilized country is revenue-producing, has an average deficit for the past seven years of three-quarters of a million, what else is that but chronic insolvency? Does Sir Adolphe call it solvency? In 1892 we are told that it was "only" two-thirds of a million, that is a mere fleabite. Mr. McCawber could not talk more airily of such a sum. Surely, too, it is manifest that, to get at the truth, we must take the average of a number of years continuously. For instance, in 1882 and 1883 the deficit came down to \$437,000 and \$423,000, from \$638,000 in 1880; but in 1886 it went up again with a bound to \$911,000. We are told that the ~~size~~ of Canada and the sparse population explain everything. I made full allowance for those causes, but in 1868 the deficit was only \$28,000! Since then we have added Manitoba, the Territories and British Columbia, but the deficit from all these is only \$220,000, and old Canada's increase of population and wealth ought to more than balance that. The real reasons for the deficit were stated by me to have not been alluded to by my critics, perhaps because they are not creditable. We still maintain the abominable franking privilege, though we have lopped off some of its mouldering branches. We send more than 12,000,000 of newspapers free. This, it was felt, would help to keep the press quiet, but it is an abuse so flagrant that it is not attempted even in the United States, where administrative abuses flourish. It is indefensible from every point of view, and I urge our self-respecting newspapers to join in a crusade against its continuance. It is not even in their interests. The country is infested with fake gift papers, because of the ease of advertising by means of free discharge from offices of publication. We also appoint postmasters, mail carriers and clerks by political influence instead of by merit. Investigation into irregularities is made difficult from the same cause; and postoffices are multiplied unnecessarily as political bribes.

#### "NO SURPLUS."

"We get no surplus from the postal service," Sir Adolphe Caron calmly says. Well, that is about as mild a way of stating that the average deficit for the past seven years has been three-quarters of a million as the imagination can conceive. We do not expect a large surplus, but we have a right to expect that the deficit shall not be larger than in 1868, or that the department shall be managed without loss. Is it not clear that every deficit has to be made up by additional custom dues, or in other ways that burden or cripple the trade of the country? Such a policy must be scouted as unworthy by any man who gives a moment's thought to the adjustment of the burdens

of the people.

"What country but Great Britain does get a revenue from the postal service?" Is it possible that the Postmaster-General makes such a statement—a gentleman, who gets \$8,000 a year, with perquisites of franking, mileage, private cars, patronage, splendid offices and what not, on the supposition that he knows something about postal matters? He has only to turn to the Encyclopædia Britannica to find that there is not a country in Europe, save bankrupt Portugal and uneducated Russia, that does not get a surplus from its postal service; and that the only other countries of all included in the postal union of 1832 that shared the honor of a deficit with Canada were two South American republics, also India, though only for a trifling amount, notwithstanding that not one in 50 of the people in that vast continent write letters! That was in 1832, and an examination of the "Statesman's Year-Book" for any succeeding year will show that matters remain substantially as they were then. Even the United States had handsome surpluses in 1832 and 1833, and they then reduced the letter rate to two cents. That measure, combined with lavish expenditures, the spoils system (in which we imitate them) and other abuses, has landed the country in a deficit, of which, however, the people are far from being proud. We have not the two-cent rate, and we seem to think our huge deficit not worth consideration.

My third illustration was taken from the Galops channel, and as I spoke "without the slightest knowledge," let us see what the facts are according to the highest authority. Here are Mr. Haggart's statements:—(1) "The contract was awarded in 1879 for making a new channel with seventeen feet depth of water," and he says in November, 1883, that in one place there are only 10-12 feet, and in other places from twelve to thirteen feet! The contractors, he says, have carried the work "forward, close upon completion." Now, let us turn to the annual report of the Department of Railways and Canals for 1890 and 1891. The following passage is on page 122:—

"Galops rapid improvement, E. E. Gilbert & Sons, contractors. Contract entered into 5th August, 1879, to be completed 1st June, 1881. This work, which was completed in November, 1883, consisted in the formation by submarine excavation of a straight channel. \* \* \* \* This, as stated by the late chief engineer in his report for 1889, has been completed, and it is now 200 feet in width, straight and from 16-1-2 to 17 feet in depth; but pilots prefer putting up with all the disadvantages of the old, crooked, shallow line rather than use a new one with which they are unfamiliar."

Here, then, is a public work that, according to contract, should have been completed in 1881, that was completed in 1883, that the chief engineer in his report for 1889 says has been completed and is from 16-1-2 to 17 feet in depth. Yet, in November, 1893, we are told that the depth is 10-1-2 feet in one place and 12 or 13 in others! No wonder pilots do not like it. What makes this all the more astonishing is that the report of 1890 and 1891 says: "Doubts having been expressed by some as to the accuracy of the above report, tests were made with the result that the least depth discovered was sixteen feet on what appeared to be some loose masses of rock, which it is barely possible (as as-

serted by the contractor) had been swept into the channel by the action of the ice since its completion in 1883." Here is miracle upon miracle. The work that was completed in 1883 has, in November, 1893, "been carried forward, close upon completion." It had 16-1-2 feet in 1883, 15 in 1889 because of loose masses of rock, and 10-1-2 in 1893 because, as Mr. Haggart says, "only" 2,321 cubic yards of rock, solid rock, remained to be removed. Who will say that the age of miracles is past?

(2) "The contract price has not been exceeded, and as the work has not been completed the final estimate has not been paid." I turn to the Auditor-General's report for 1889 and find that not only was the whole of the contract price paid, but \$99,000 additional for excavation below grade to ensure seventeen feet depth. More: Davis & Sons contracted to do the work for \$306,000, and the Auditor-General in 1889 reports \$454,000 as paid. What is the explanation? Does Mr. Haggart's final estimate refer to

#### SOME \$200,000 OF EXTRAS

that we are told are being charged for this precious channel "which our stupid pilots will not use? If so, no one would guess it from his language. Are we to pay three-quarters of a million instead of \$306,000 for what vesselmen call a fifth wheel to the coach?

(3) "Mr. John Kennedy, the Chief Engineer of the Montreal Harbor Commission, was employed by the Government to make a thorough examination of the channel." Why, then, did not the Government give his report to the public at once and discharge the engineer of the work when it was found that he had been sending in again and again inaccurate reports? In 1891 the Government engineer of the work reported that he had finished the examination of the Galops and found no truth in the charges that the depth of water was less than seventeen feet. Mr. Kennedy then made an examination, and his report has been kept from the public until now. Is all this characteristic of what is usually called "a square deal"?

(4) Mr. Haggart's strong point is that the deepening of the channel was for eastern-bound traffic, and that the new and expensive lock he is building at the foot of the rapid is to let western-bound vessels into the canal. This is in imitation of the considerate gentleman who had two holes in his kennel, one for the big dog and the other for the little dog. There are only 4,000 feet between the foot of the rapid at the new lock and the upper entrance to the canal. Why should there be an enormously expensive river channel for that distance as well as an expensive and large canal, and lift-lock, unless the latter expenditure is to hide the former blunder? If two waterways are need there, we should have them at every rapid. But no one has proposed them, even at Sault Ste. Marie, where the tonnage is perhaps 50 times as great as at the Galops. Even if it should come to be of some use at the Galops, is it worth such an enormous cost?

I have written enough, however, on these three cases, though it would be easy to write at far greater length. I would not have referred to them at all had any one of less authority than Cabinet Ministers challenged my first statements, and I shall now leave them to the independent press and to members of Parliament. It

is no pleasure to me to rip up such sores; but it is humiliating to find that our chief servants do not think it their first duty to tell the people "the truth, the whole truth, and nothing but the truth," with regard to the public works with which they have been entrusted. Had they been men of the right stamp they would have written me privately letters of thanks for trying to stir up a public feeling that would assist them in doing their duty. I know that they have difficulties to contend with, and that wherever public money is being spent foul creatures swarm. Public servants therefore need support. If they repel it, so much the worse for them. When any of them seeks only to darken counsel by words without knowledge, what can be said to him but this, give in an account of thy stewardship, for thou mayest be no longer steward?

A newspaper, usually moderate in tone and fair to opponents, accuses me of stepping outside the pale of my proper functions to air my views on public affairs. Perhaps a reason ought to be given to it and to those who sympathize with its position. "Who are you?" said Queen Mary to John Knox, "who presume to tell the sovereign and nobles of the realm their duty?" "A subject, born within the same," was the respectful and all-sufficient answer. That was reason enough for any free man, for anyone who feels that public affairs belong to him as one of the public. I have always tried to act on that principle, and my course was strengthened by the revelations of 1891. These made me for the first time in my life ashamed of being a Canadian. Some of our people may have forgotten those terrible revelations. I can never forget them. We ourselves are responsible for them. Our party spirit, our selfishness, our localism, our inaction in public life, are at bottom the causes. In those summer months, when every day unearthed some new villainy, I determined to try to be truer to my country than ever before, and to speak out my convictions, whenever fit opportunity was given me, calmly and strongly, no matter what the consequences might be. Should not every honest man join in this resolution? Let the issues of the past alone. Let the dead bury their dead, and with the inspiring thought of Canada first in our hearts let us go forward to make our good land one worth living for, or, if need be, dying for.

Kingston, Nov. 15. G. M. GRANT.

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